



***United States Attorney
Southern District of New York***

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**CONSTRUCTION COMPANY OWNER PLEADS GUILTY FOR PAYING
MILLIONS IN OFF-THE-BOOKS WAGES TO EVADE PAYROLL TAXES**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and PATRICIA J. HAYNES, the Special Agent-in-Charge of the New York Field Office of the Internal Revenue Service ("IRS"), announced that GERARD CRILLY, a construction company owner, pleaded guilty today in Manhattan federal court to conspiracy to evade payroll taxes by paying employees "off-the-books" in cash, and to file false currency transaction reports ("CTRs") at the time the cash was obtained to pay his employees.

According to the Information to which he pleaded guilty, CRILLY owned two construction companies, Omni Construction Corporation and Crilly Contracting, Inc., that operated in the New York City area, specializing in restoration, waterproofing and scaffolding. From 1999 through 2005, CRILLY paid his construction employees in cash so he could avoid withholding required taxes, including the employer and employee components of Social Security and Medicare taxes, and so that his employees could themselves evade these and other taxes. CRILLY paid his employees over \$4 million in cash from 1999 through 2005, and failed to remit over \$600,000 in federal payroll taxes due on those wages.

To obtain the necessary cash, CRILLY used a Manhattan check-cashing company to cash a large number of checks, usually in amounts of many tens of thousands of dollars, purportedly payable from his construction companies to various subcontractors. Financial institutions, including check-cashing companies, are required to file CTRs with the IRS to identify the parties to any cash transaction of \$10,000 or more. However, to

disguise CRILLY's role in the transactions, CRILLY and an officer of the check-cashing company agreed to file CTRs that falsely reported that the checks in question had been cashed by an individual who in fact had no involvement in the transactions. False CTRs covering more than \$7 million in cash were filed with the IRS in connection with CRILLY's cash transactions.

CRILLY, 39, of Bayton Beach, Florida, pleaded guilty before United States District Judge HAROLD BAER, JR., to a one-count Information charging CRILLY with conspiracy to defraud the IRS, to commit tax fraud, and to evade currency reporting requirements. He faces a maximum term of 5 years in prison. In addition, the Information contains a forfeiture allegation of at least \$747,925, representing a portion of the funds CRILLY obtained in connection with the filing of false CTRs. CRILLY has also agreed to pay at least \$636,846 to the IRS in restitution for the lost tax revenue. CRILLY is scheduled to be sentenced on July 16, 2009.

Mr. DASSIN praised the investigative work of the IRS in this case.

This investigation is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorney HARRY A. CHERNOFF is in charge of the prosecution.

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